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## Humanizing Economics Theologically: Mary Hirschfeld's *Aquinas and the Market*

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Since publishing *Divine Economy: Theology and the Market* in 2000<sup>1</sup> I have found myself engaged in many conversations, debates, conferences, and seminars with economists. These conversations almost always bear a family resemblance. At some point, the economist will critique the moral and theological considerations brought to bear on economics by saying something like, “You theologians and ethicists are naïve and utopian. You do not understand how markets work and while your concerns are well intended the consequences of implementing them will be disastrous to the poor that you intend to help.” Whether the issue be rent controls; a just, livable wage; a wealth tax; or criticisms of economic concepts like scarcity, opportunity costs, and the marginal rationality that undergirds economics as a discipline, the arguments are nearly always the same. If theologians and ethicists adopted marginalist rationality, which some economists use to explain nearly everything, then they would not be so naïve and come to adopt the economist’s point of view.

This all too familiar economist’s critique begs the question because the issue is whether one should adopt the economist’s point of view, and the “should” here is intentional. It questions one significant defense many economists make of their discipline when moral or theological questions are put to it. They are just giving us the facts; theirs is a positive science and while we need normative sciences that attend to values, the economists’ data and rational models provide neutral, arms-length analyses of the costs involved to those values. The economic prescriptions, however, that result from this conversation are also predictable. The only way to help the poor is more economic growth unhindered by well-intended regulations. Let the market do its work, and in some distant future, we will reduce poverty, increase standards of living, bring in the wealth of nations or get to that three-day week work Keynes promised us nearly a century ago. But these prescriptions resulting from marginalist rationality are more a matter of “should” than “is.” They are normative political and economic judgments. If that is the case, then the rationality theologians

and ethicists are asked to adopt is not so innocent. It already imports moral and theological evaluations into the construction of the discipline. It asks us to abandon forms of theological and moral reasoning and view the world through marginalist rationality.

These conversations are so predictable that they are tiresome, which is why Mary L. Hirschfeld's *Aquinas and the Market: Toward a Humane Economy*<sup>2</sup> is such a breath of fresh air. When theologians and ethicists question the basic form of practical reasoning that much of economics and contemporary business practice assumes, they are easily dismissed with, "But you don't understand economics." (I've also discovered that business persons use a similar argument against economists, "But you have never run a business.") No one can dismiss Hirschfeld on similar grounds. A Harvard Ph.D. in economics, who taught it for fifteen years, Hirschfeld found herself dissatisfied with aspects of her discipline, converted to Catholicism, and shifted into a theological vocation. She left a tenured teaching position to pursue a master's degree and Ph.D. in Moral Theology at the University of Notre Dame, completing her second dissertation under the supervision of the well-known moral theologian Jean Porter on the relationship between Thomas Aquinas and neoliberal economics. (Her first dissertation was supervised by Lawrence Summers and Jeffrey G. Williamson.) Her 2018 publication is the fruit of a journey that began in 1989 with her Ph.D. in economics and followed by eight years of study in theology. It is a splendid work, the best book on theological economics available in English. In fact, along with Kathryn Tanner's *Christianity and the New Spirit of Capitalism*<sup>3</sup>, those of us invested in the conversation between theology and economics now have some of the best resources available for consideration. These two works deserve to be read in tandem. Tanner's and Hirschfeld's works offer similarities and contrasts that should be the state of the question for theological economics today. I will conclude this review with some suggestions on what that state might be.

Hirschfeld's dissatisfaction with economics and her conversion to theology does not appear to have been some Damascus Road experience. In fact, her story is not one of conversion from economics to theology. Her original attraction to the scientific rigor of economics and its potential to contribute to human flourishing remains very much reflected in her criticisms of economics. She does not dismiss economics and finds some of the criticisms levied against it to be either misunderstandings or satisfactorily addressed by economists. She takes us through a number of these inadequate criticisms. First, the problem is not with the economist's anthropology, the assumption of *homo economicus* who correlates reason with rational choice models. For

Hirschfeld, this anthropology and model are more or less obvious. They tell us nothing more than that “people efficiently calculate how best to achieve their desired ends.” Here is not a reason for dissatisfaction; on occasion, we all make such calculations. Second, the criticism that rational choice theory fails because its modeling assumes agents are fully informed misses the point of economic modeling. That human agents lack omniscience poses no problem because rational choice can still model human action sufficiently while recognizing that people will always “lack information.” Rational choice is a species of formal practical reasoning. Third, the criticism that the predictive modeling economists make through “complicated mathematical formulations” does not correlate well with everyday reality misses how economists do their work. Their abstract and formal form of practical reasoning seeks little more than to predict as best as possible future decisions. Fourth, nor does it matter that people “make systematic errors in judgment.” In other words, contra rational choice theory people do not always act in their own interest. While this is true, economics has means for taking it into account. If theologians or ethicists critique economics for any of the above reasons, Hirschfeld suggests, their critiques lack justification. The strength of economics, she tells us, is “its ability to map a wide range of motivations into formally identical mathematical equations” that can explain both the actions of Bernie Madoff and Mother Theresa (41–42).

Economic models that explain Madoff’s or Mother Theresa’s actions continue to attract her, but economics’ strength is also its limitation. The inability to distinguish between Madoff and Mother Theresa disillusioned her. That economics remains “silent” about the ends its formal, abstract version of practical reasoning serves led to her dissatisfaction. The criticisms noted above, then, are not completely misguided. They reflect an inadequacy not only with economics but more importantly with the political and economic structures that they assume. She writes: “The resilience of critiques about the excessive materialism and injustice of modern market economies reflects the incoherence of a society that de facto treats the instrumental good of economic prosperity as the highest common good” (3). The confusion of these two goods, and the inability for modern political arrangements to identify the good that the instrumental good of economics serves, entails that the limited ends its formal, practical rationality should serve has no limits. The problem, then, is not economics per se but that it has no end that would properly limit it. Its version of practical reasoning has *a* role in seeking the highest common good, but without proper limits it takes on *the* role. It cannot function well as the only form of practical reasoning.

Having identified her dis-satisfaction with rational choice theory, Hirschfeld's next two steps point first to theology and then to economics. She begins chapter one with Jesus's words that one cannot serve both God and money (Matt 6:24). She does not give us an apology as to why we should begin with Scripture. Her work is unapologetically theological. The difference theology brings to economics is that it names the ends for human flourishing. For this reason, theology should be the "dominant partner" in any conversation between theology and economics (3). Hirschfeld asks if this conversation has yet been done well. If it has, of course, there would be no reason for her work. She could simply point in the direction of others and tell the reader to look into their work. I am delighted that she points to my own work and uses it well to present three approaches to the relationship between theology and economics. First, economics is the "dominant partner" in the conversation. Second, there is a "complementary" relationship between them, and third, theology is privileged as an "independent lens" to evaluate economics (9). One of the highest recommendations of Hirschfeld's argument I could give is that I find my own work ably presented by her. This recommendation is not because she simply points to my work as the way forward. She thinks that I, and Kathryn Tanner, have the proper disposition to make theology the dominant partner but fail to execute it.

Chapter One quickly sets forth the state of the question on the relation between theology and economics, acknowledging as many of us have that the conversation between them is primarily one-sided. Theologians read and examine economics. Economists seldom sense any need to return the favor. I have no idea if Hirschfeld's argument will generate a more interesting two-sided conversation, but the richness of her arguments provides reason for hope. Although she is unapologetically theological, her book is written for both theologians and economists. The "fundamental dilemma" of theology and economics is that if theology is to set the proper limits for the economists' unlimited, formal version of practical reasoning, theology would have to be granted a privileged role. My and Tanner's work sought to do this, but we are too opposed to economics. She cites a central text that structures my 2000 publication in which I represent my preferred approach, "the residual tradition," in opposition to marginalist rationality. She finds my work too oppositional and offers this critique: "The problem is that capitalism is too complex to be either embraced or rejected whole-heartedly" (17–18). At first, I thought this was a misunderstanding because my critique was of marginalism not capitalism in general (I originally titled my 2000 work *Out of the Margins*, which was changed—and rightly so—by the editors), but

as I read further, I came to agree with her critique. She would agree with me that marginalist rationality defines economics as a discipline. She would agree with me that it has taken on too large a role in contemporary culture. Whereas I sought an alternative to it without conceding it any place in theology she seeks a proper place for it by incorporating it within Aquinas's practical reasoning. Her ingenious argument is that the closest approximation to marginalist rationality is what Thomas recognized human agents share with animal agents. Both act from incentives. Marginalism, then, has a role but a limited one. By refusing to grant it this limited role, I left marginalist rationality to its own devices. She adds, "Long, ironically, ends up ceding too much power to economic thought when he seeks out an approach which is simply in opposition to it" (18). I would agree. Oppositional discourses tend to collude with what they oppose.

While I think her critique of me is valid, I was less convinced of her critique of Tanner. She agrees with Tanner that the competitive logic of economics does not name an "effectual truth of human nature" but a contingent social practice. Yet Tanner's noncompetitive "economy of grace" concerns non-scarce "spiritual goods" and ignores the scarcity of material goods. She neglects an adequate economic model of "rivalry in consumption." Adopting her role as economist, Hirschfeld writes, "If I eat the apple, you cannot also eat that apple." While that is a truism and I would add an undeniable metaphysical claim—two temporal, material goods cannot be in the same place at the same time—it is less a compelling critique of Tanner because it does not address any reasonable context within which someone would eat an apple at the expense of others. There is no reason why a humane economy grounded in the virtues would be anything other than deeply critical of someone who coming upon a single apple decided to eat it herself rather than sharing it. It is always possible to cut the apple into pieces and share it non-competitively. Hirschfeld makes this very argument later in her work in a compelling discussion of virtue as the perfection of a disposition. Here she also draws on the desire for food and how those desires need to be properly habituated. She writes, "As a child I wanted all the candy for myself. As an adult I really could not enjoy the candy if I did not offer to share some with those around me" (103). Should not the same be said of eating apples?

Tanner's point is not about the metaphysics of a universe in which only a single apple exists. Her concern is how we describe what are contingent social realities of production and distribution. Much as Adam Smith begins the *Wealth of Nations* with people who find themselves in a pin-making factory without any consideration for how they got there—what convinced them to move

off the commons to spend their days performing a single operation?—Hirschfeld’s example foregoes any description of the production and distribution of the apple. It is just there to be eaten in its entirety by one at the expense of the other. But this does not describe well apple-eating. From where did the apple come? If someone owns the apple tree from which the apple came, and you cannot eat that apple except under the conditions defined by the market relations within which the owner buys and sells, then the fact that one person eats the apple and others do not reveals very little about “rivalry in consumption.” If the profits for eating the apple primarily accrue to shareholders who sell the apple on a global market for a price that exceeds what the apple pickers can command as a wage because their comparative advantage is nothing but their labor, then the fact that someone eats the apple in Pennsylvania and someone does not eat the apple in China tells us more about contingent social realities to which alternatives could and should be made. Setting forth “contrasts” in these circumstances does not let economics “set the agenda” (18). It asks for imaginative thought about alternative possibilities to contingent social realities.

Perhaps Hirschfeld would agree with ~~the~~ much of the above criticism. The purpose of the first chapter is less to set out her theological economics and more to critique theologians who set theology and economics in opposition. She concludes the first chapter by pointing in the direction of the difference Thomas Aquinas makes for rational choice theory. It is not diametrically opposed to Thomas’s practical reasoning, but his version sets marginalist rationality within a more humane and complex version. Thomas agrees with modern economists that “the human quest for happiness involves a longing for more.” His disagreement is twofold. First, the “infinite desire” human agents possess cannot be satisfied through the accumulation of finite goods; it can only “rest” in God. Second, happiness is not the “satisfaction of desires” but a “perfection” (24–25) of them. She will return to these important points when she constructs a Thomistic “humane economy” in Chapters Three through Seven. Before engaging in that constructive work, she turns in chapter two to “the perspectives of economists on their central model of human behavior, the rational choice model” (35).

Hirschfeld subjects three “key features” of economics to critical examination. The first is its “distinctive concept of practical rationality” based on *homo economicus*. As previously noted, Hirschfeld is less concerned about *homo economicus* than most theological and ethical critics. Likewise, she acknowledges a role for the economist’s practical rationality. Only when this anthropology and its reasoning are placed within the second and third features that she examines

does it go awry. The second feature is a sharp distinction between positive and normative economics. She tips us off in the preface that she was dissatisfied with this distinction when she tells us, “One of the core arguments of this book is that economics is not value neutral” (xviii). Economics fails to be value neutral because the role “efficiency” plays. Efficiency depends on the “equation of a consumer’s willingness to pay with her marginal benefit and the seller’s willingness to sell with his marginal cost.” The marginal benefit is the “utility function” and a dilemma arises at this point. On the one hand, the utility function is nothing more than “consumer preferences.” On the other hand, the efficiency of the market serves the purpose of the consumer’s “well-being.” Thus, we are left with a tautology that what the agent desires or prefers constitutes the agent’s well-being (48). Equating well-being with desires or preferences is neither value neutral nor reasonable, especially when it is placed within a third key feature in economics that “wants are unbounded” (36). If wants have no limit and are at the same time the basis for well-being, then there can be no rest, no end to our consumption, no adequate satisfaction even of our preferences. Hirschfeld names well the consequence of combining these three features of economic activity. “If there is no theoretical content limiting what can constitute all-things-considered preferences, we are left with a tautology: when people act purposively they do so in a way that seems best to them” (59). That is not high praise for *homo economicus* and his practical reasoning. Economics cannot claim its innocence with respect to having “strong ethical and metaphysical commitments,” and those commitments do not lead to human flourishing (67).

Having made a compelling case for the limitations of the theological and ethical criticisms brought to bear on economics in Chapter One, and the limitations of the practical reasoning undergirding economics including its putative ethical and metaphysical innocence in Chapter Two, Hirschfeld begins her constructive argument for a Thomistic theological economics in Chapter Three. Chapters Three and Four compare and contrast the practical reasoning of Aquinas with that of economics. Chapter Three does so by attending to the “metaphysical backdrop” for Thomas’s “distinctively human exercise of practical reason.” Chapter Four attends to “virtue and prudence” for that same exercise. Hirschfeld places Thomas’s practical reasoning within the “perfection of our being.” It is the metaphysics necessary for Thomas’s practical reasoning and it exceeds the capacity for the rational choice model to render intelligible. Her argument is that Thomas’s practical reason is sufficiently “capacious” to accommodate rational choice as a lesser form, but rational choice is incapable of accommodating Thomistic practical reasoning. In other words, if

Thomas is correct about our teleological ordering, then the happiness for which we act will never be satisfied through maximizing utility. The latter is an “unbounded quest for more.” Because our true end is the beatific vision, “an enjoyment of the infinite good, which is God,” the economists’ model has some plausibility. Both are oriented “toward an infinite good.” Yet the difference between them is decisive. For the economist’s model, the infinite good is quantitative and extended (80). For this reason, its model always requires more, more growth, more consumption. It cannot be satisfied until everything is consumed. She hints toward but does not “take up” questions of environmental sustainability. The logic of her critique, however, finds her making common cause with Pope Francis’s *Laudato si* in questioning the “energy-intensive lifestyles” driving modern production (152–153, 160).

Chapter Four opens with an acknowledgement that the perfection of the human being is “beyond our natural capacities” (97). Perfection is found in God and thus requires more than the acquired virtues; it involves the theological ones as well. She briefly discusses the contested relationship between our temporal and eternal happiness in Thomas, a relationship that is crucial for her interpretation of his practical reason. The two ends are not on a “continuum” as if one leads to the other. Nor are they completely unrelated. In other words, they are neither univocal nor equivocal. Instead, they are analogical. The analogy resides in humanity created *imago dei* that makes us, like God, the “‘principle’ of our actions” (99). Virtue, especially the virtue of prudence, allows human agents the “self-mastery” necessary to “order” their lives “into a coherent pattern of life.” She offers a succinct but masterful interpretation of the acquired virtues and correlates them to temporal well-being, highlighting the role of prudence. Prudence is “Aquinas’s alternative” to the economist’s practical reasoning, an argument found in a section entitled “Prudence versus Rational Choice” (109). It is through the exercise of prudence that human agents properly flourish.

Hirschfeld draws upon Jean Porter’s *Nature as Reason*<sup>4</sup> for her account of flourishing. Humans have the “special role of directing themselves” via prudence. Hirschfeld states, “It is our act of becoming beings who can pursue these goods in an excellent way that constitute the full realization of our nature. The pursuit of goods, then, is the material on which we exercise that excellence. That is to say, while a life filled with goods is desirable, our truest happiness lies in the agency we exercise in obtaining them” (108). The acquired virtues do so much work in this section of her argument that one wonders what happened to her previous discussion of the infused virtues (102)? She also cites Christopher Franks’s *He Became Poor*<sup>5</sup> which, contra Porter, takes the evangelical



counsels of poverty, chastity, and obedience as the “paradigmatic form of the happy life” rather than Porter’s “ordinary conception” of it, and the theological virtues as the “paradigmatic form of virtues.” Franks interprets Aquinas as a Christological thinker for whom the natural, human action concerned with wealth finds its proper end in the “poverty of Christ.” Hirschfeld acknowledges that Franks’s interpretation, to which she is “sympathetic,” generates “some tension” with Porter’s. However, the tension here is not decisive. Hirschfeld claims it to be a “difference in emphasis more than anything else” (242n44). Yet I wonder if more needs to be done with this tension and the difference it makes for a Thomistic theological economics? It would require further conversations. One would be on the infused virtues. Hirschfeld begins this conversation in her section “What is a virtue?” Virtues are “intrinsic principles or internal sources of actions.” So far, so good. Both Aristotle and Thomas would agree. They can also be, she notes, “infused by God.” Now things get complicated. For Thomas, an infused virtue is an external principle that can at the same time be an internal source of human action. Aristotle, I think, would at least find this confusing. It is what allows Thomas to set forth the virtue of charity as friendship with God, something that Hirschfeld makes central to her theological economics in Chapter Five. But the emphasis on the acquired virtues and the unresolved tension between Porter and Franks leads me to question how the analogy between God and creatures in their actions works. What does she need from Thomas that she could not get from Aristotle, especially when there is so little Christology and pneumatology in her book? She notes its centrality for Thomas (see 24). Having noted it, it seems to contribute too little to a humane economy. There may be reason for this, and it may have to do with audience. One of the curious but delightful aspects of *Aquinas and the Market* is the ambiguity as to whom the audience is. At times, Hirschfeld seems to be interpreting theology for the economists. At other times, she interprets economics for the theologians. And still at other times, she addresses both at the same time. Another conversation would be the relationship between divine and human agency. She recognizes this and states, “In this analysis I do not deal with the vexed question of how we understand our agency vis a vis God’s agency” (235n2). If the theological virtues are to play more of a central role in a Thomistic humane economy (and how can they not if our true end is the beatific vision?), then more will need to be done here. Of course, not everything that should be done can be done in a single volume. To indicate what needs to be done next is the sign of a successful work.

Hirschfeld's theological economics is thoroughly Catholic, which makes it contrast nicely with Tanner's thoroughly Protestant anti-work ethic in her *Christianity and the New Spirit of Capitalism*. Hirschfeld works with Aquinas; Tanner works with (and against) Weber. Tanner has offered the clearest and most lucid presentation of finance capital that I have read either by economists or theologians. We are fortunate to have these two works before us at this critical juncture when growing income inequality and environmental degradation threaten social existence. Both express grave concerns about making efficiency the driver behind economic relations, and about the disciplining power of capitalist rationality. Both intervene in economics and market relations theologically. Tanner's work sounds more of an alarm than does Hirschfeld. It takes on much more of an apocalyptic tone. She holds forth little promise of reforming capitalism. We need to "radically break" with it, and Christian theology could provide such a break. More so than her previous *Economy of Grace*, Tanner sees capitalism generating vicious chains to the past through debt, asking for "total commitment," all the while acting in the world as if only the present matters. Her approach is more dialectical than analogical. Christianity offers a "radical time discontinuity." It places all our projects under suspicion. She writes, "every single present project of mine is to be repudiated to some extent or other (some of them more than others)—just to the extent such a project becomes a sinful interference to wholehearted orientation to God and God's will for the world."<sup>6</sup> A Reformed total depravity haunts all our pretensions to perfection. Tanner finds arguments based on perfection to be dangerous. They "homogenize" human existence collapsing difference into an untenable sameness.<sup>7</sup> Given the either-or within which our convictions operate, there is no place for any means-ends calculation.<sup>8</sup> Faith entails total commitment. Contra Hirschfeld's virtue of prudence, Tanner is critical of the language of self-production, even when it is found in Marx rather than Aristotle or Thomas. She states, "There is no reason to think, as the anthropology of production typical of capitalism (and its Marxist critique) does, that we can produce ourselves only by producing other things. Some sort of work on things is needed to generate the material well-being that is part of our imaging of God's life of supreme well-being. But Christians associate ~~hand~~hard work and especially hard labor with the fall."<sup>9</sup>

Hirschfeld is less apocalyptic. She finds much to applaud about capitalism. She critiques Tanner for being unable to account for capitalism's "beneficial role in, say, lifting hundreds of millions of people out of poverty in the past few decades" (22). Yet no statistics are cited and the poverty graphs that have circulated based on the United Nations' Millennium campaign and "Our World

in Data” statistics often cited by Bill Gates and others, have been subjected to devastating critiques.<sup>10</sup> With 60% of the world’s population living in poverty and most of the decrease in poverty occurring in China, it is unclear that capitalism has decreased poverty as successfully as some have claimed. If we measured poverty based on \$5 per day rather than the \$1.08 currently used, things look much bleaker. Given current economic inequalities, the “lifting” that would be necessary for a rising tide to lift all boats would require the average income of the world’s wealthiest one-third to be \$1.3 million per year so that the poorest two-thirds can live on \$5 per day.<sup>11</sup> If these statistics are correct, then Tanner’s apocalyptic tone is more warranted than Hirschfeld’s. Yet Hirschfeld gives us more of a practical way forward than Tanner. Tanner is certainly correct that arduous labor is not the basis for human dignity. Her anti-work ethic is not only a laudable contribution to contemporary theological ethics but a necessary one especially as work itself may experience significant changes in the next decades. Yet there are ways of thinking about forms of material production by which we also produce ourselves as Hirschfeld’s emphasis on the virtues, and especially prudence, suggests. What makes a virtue a virtue rather than a technical means is that the action affects the character of the agent. Hirschfeld’s Aristotelian-Thomism has more room for Marx’s insights than Tanner’s (modified) Calvinist-Weberianism. Hirschfeld provides a way to make better sense of the fact that we need material goods, they can be means for our perfection, that grace can perfect nature rather than constantly contradict it. Hirschfeld convinced me that some incentives, some means-end calculation is intrinsic to our animality. It is part of our good, \_created nature. Yet ~~it~~ our (fallen) nature is radically incomplete and needs the infused virtues.

Hirschfeld’s *Aquinas and the Market* is thoroughly researched, well-written, carefully developed, and presents a compelling vision of how we might go forward in conceiving a theological economics. It is a must-read for anyone interested in theology and economics, practical reasoning, or the development of a humane economy.

## Notes

1. D. Stephen Long, *Divine Economy: Theology and the Market* (London, Routledge, 2000).

2. Mary L. Hirschfeld, *Aquinas and the Market: Toward a Humane Economy* (Cambridge, MA: Harvard University Press, 2018).
3. Kathryn Tanner, *Christianity and the New Spirit of Capitalism* (New Haven, CT: Yale University Press, 2019).
4. Jean Porter, *Nature as Reason: A Thomistic Theory of Natural Law* (Grand Rapids, MI: Eerdmans, 2004).
5. Christopher A. Franks, *He Became Poor: The Poverty of Christ and Aquinas's Economic Teachings* (Grand Rapids, MI: Eerdmans, 2009).
6. Tanner 88.
7. Tanner 217–218.
8. Tanner 162.
9. Tanner 207.
10. See Jason Hickel's *The Divide: Global Inequality from Conquest to Free Markets* (New York: Norton, 2018).
11. Hickel 56.